

TRENDS IN NET OVERSEAS MIGRATION: WESTERN AUSTRALIA

INTRODUCTION

Population change in each state and territory is the combined result of net overseas migration, natural increase (births minus deaths), and net interstate migration (population change through the movement of people from one state or territory to another). All three components of population change contribute, in varying degrees, to the growth, size and structure of the population in each jurisdiction.

Net overseas migration (NOM) has emerged as a highly topical, and somewhat contentious, issue in recent years, particularly within the context of the Sustainable Population Strategy for Australia and the recent impact of international students on population counts. Variations in the number and characteristics of people arriving and departing the country impact on policy decisions and future planning at all levels of government, and on issues such as skilled and unskilled labour supply; national income from the educational services provided to international students; housing availability; cultural diversity; and social cohesion.

This article presents a brief national view of overseas migration, followed by an analysis for Western Australia (WA). It uses the most recent data to examine changing patterns in the characteristics of overseas migrants and their contribution to NOM in WA.

Net Overseas Migration (NOM): Definition

Net overseas migration is the net gain or loss of population through immigration to Australia and emigration from Australia. It is based on an international traveller's duration of stay being in or out of Australia for 12 months or more. It is the difference between the number of incoming international travellers who stay in Australia for 12 months or more, who **are not** currently counted within the population, and are then added to the population (NOM arrivals); and the number of outgoing international travellers (Australian residents and long-term visitors to Australia) who leave Australia for 12 months or more, who **are** currently counted within the population, and are then subtracted from the population (NOM departures).

Under the current method for estimating final net overseas migration, this term is based on a traveller's **actual** duration of stay or absence using the '12/16 month rule'. Preliminary NOM estimates are modelled on patterns of traveller behaviours observed in final NOM estimates for the same period one year earlier. For further information, see [Migration Australia](#) (cat. no. 3412.0).

The status of quarterly NOM data changes over time from **preliminary** to **final** as new data become available. An individual's actual true travel behaviour and associated characteristics are only available from final NOM data, as these can only be accurately recorded at the end of the 16 month reference period following a traveller's initial border crossing. For further information, see [Australian Demographic Statistics](#) (cat. no. 3101.0).

In this article, the data relating to the 2009 calendar year are final data, whereas those relating to the 2010 calendar year are preliminary. All NOM data used in this article are based on the '12/16 month rule' methodology and are sourced from the ABS Travellers' Characteristics Database.

The National View

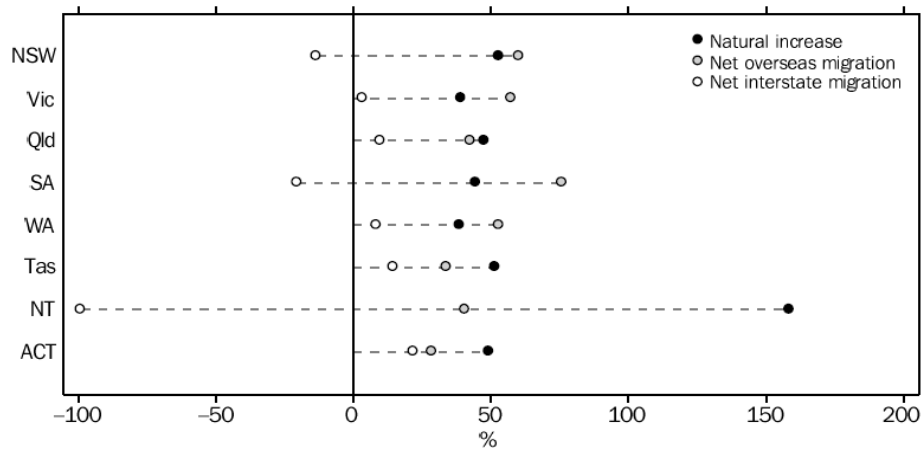
While natural increase has remained relatively stable in recent years, NOM has been far more volatile. The past decade has seen significant fluctuation in immigration estimates due to a number of factors including recent increases in temporary migrants; changing levels of demand for skilled migrants; the relative health of Australia's economy during the global financial crisis; and improvements in methodology to measure the travel behaviour of temporary migrants more effectively.

In recent years, NOM has accounted for over half of the nation's population growth. Preliminary NOM estimates for 2010 added 171,100 persons to Australia's population, representing 54% of the nation's total population growth for the year, with natural increase accounting for the remaining 46%. In 2010, Australia's total population grew by 317,100 persons or 1.4%.

In 2010, NOM contributed the greatest number of people to the most populous states: NSW with a net of 51,100 persons, followed by Victoria (48,000) and Queensland (31,600). The NT received the smallest number with 690 persons.

While all states and territories experienced positive NOM in 2010, it was the main component of population growth in SA (76%), NSW (60%), Victoria (57%), and WA (53%).

Fig 1. Population components, Proportion of total growth(a), 2010 (b)(c)



(a) Each population component as a proportion of a state's or territory's population growth for the calendar year 2010.

(b) These estimates use the '12/16 month rule' methodology for calculating NOM.

(c) Estimates for 2010 are preliminary.

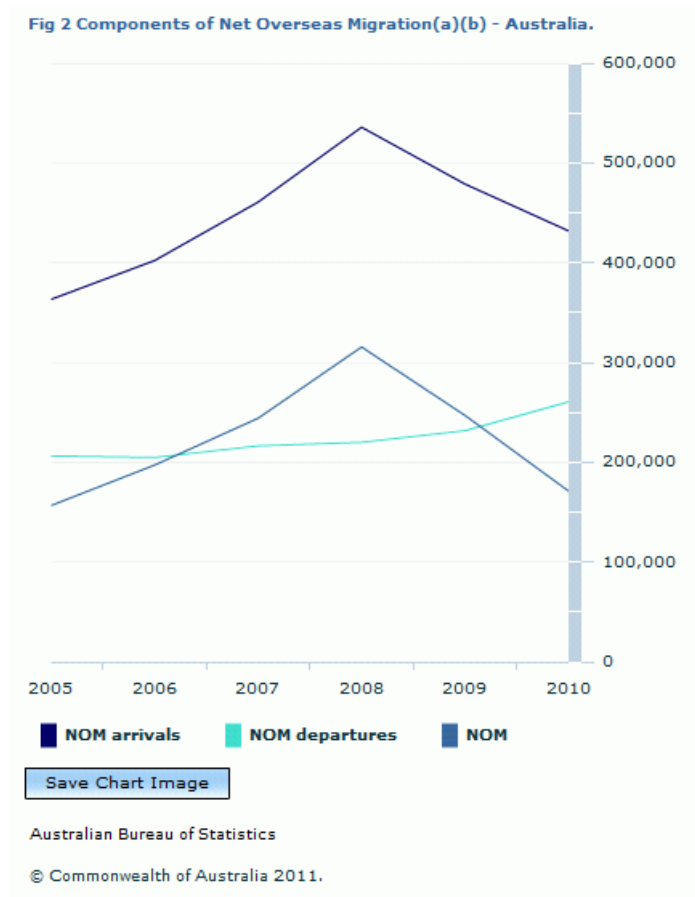
Source: Australian Demographic Statistics (cat. no. 3101.0).

Arrivals and Departures

At the national level, NOM is traditionally positive, with more arrivals than departures contributing to a net increase in Australia's population each year. Over the five years from 2005 to 2010, NOM in Australia increased by 9% (14,300 persons), with arrivals increasing by 19% (68,500 persons) and departures increasing by 26% (54,200 persons).

In 2010, however, NOM declined for the second consecutive year after strong growth for the previous three, with arrivals to Australia dropping by 10% (-46,800 persons) from the previous year and departures increasing by 12% (29,000 persons). The result was an overall decline in NOM of 31%, or 75,800 persons, from the previous year, significantly slowing the five year growth rate.

This decline in net overseas migration to Australia is mainly driven by the temporary visa holders who arrived in earlier years and who are now starting to depart the country in larger numbers. While temporary visa holders, and in particular international students, have been a key driver in the growth of NOM in the three years to 2008, their departures are a major impact on the recent sharp decline in NOM. This reflects recent policy changes restricting eligibility for temporary visa entrants who apply for permanent residency whilst onshore (Australian Productivity Commission 2010, Ch 4, p.21).



Footnote(s): (a)These estimates use the '12-16 month rule' methodology for calculating NOM (b)Estimates for 2010 are preliminary

Source(s): Australian Demographic Statistics (cat. no. 3101.0); ABS Traveller Characteristics Database, data available on request

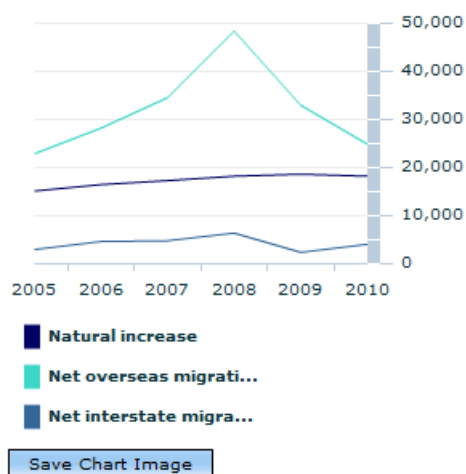
WESTERN AUSTRALIA

Overseas Migration and Population Growth

In 2010, net overseas migration remained the main component of population growth in WA despite declining for the second consecutive year in line with the national trend. Preliminary NOM estimates for 2010 added 24,800 persons to WA's population, representing 14% of national NOM and 53% of the state's total population growth (46,800) for the year.

Accounting for the remainder of WA's total population growth in 2010 were natural increase, which added 18,100 persons, and net interstate migration, which contributed 3,900, to the state population.

Fig 3 Population Components(a)(b), WA, 2005-2010



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Footnote(s): (a) These estimates use the '12/16 month rule' methodology for calculating NOM. (b) Estimates for 2010 are preliminary.

Source(s): Australian Demographic Statistics (cat. no. 3101.0); ABS Traveller Characteristics Database, data available on request

Arrivals and Departures

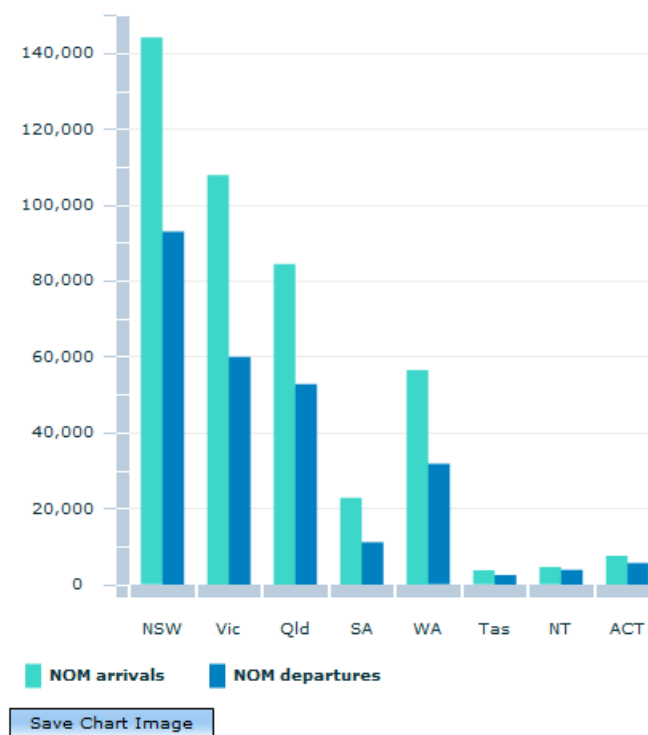
Over the five year period 2005 to 2010, NOM in WA increased by 9% (2,000 persons), which compares with a 9% increase at the national level. During this period, arrivals to WA increased by 28% (12,300 persons) while departures increased by 48% (10,300 persons).

In 2010, there were 4,400 fewer (-7%) overseas arrivals in WA than in the previous year. However, overseas departures continued to increase with 3,600 more (13%) departures than in the previous year. The result was an overall decline in NOM of 25% (-8,100 persons) from 2009, compared with the national decline of 31%. Of the states and territories, Western Australia recorded the smallest proportional decrease in NOM in 2010.

Overseas Migration Flows

In 2010, there were 56,600 arrivals to, and 31,800 departures from, WA. Thus, the combined flows of overseas migration (arrivals and departures) was 88,400.

Fig 4 Overseas Migration Flows, State & Territories - 2010 (a)



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Footnote(s): (a) Estimates for 2010 are preliminary.

Source(s): Australian Demographic Statistics (cat. no. 3101.0)

To assess the effect of these gross overseas migration flows, it is useful to consider them as a proportion of the total population. In WA, overseas migration had a relatively significant effect on population turnover, accounting for 3.8% of the total population in 2010, compared with 3.1% for Australia. Of the jurisdictions, WA had the highest population turnover from overseas migration.

Fig 5 Population Turnover(a) from Overseas Migration, States & Territories, 2010(b)(c)



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Footnote(s): (a) Gross overseas flows as a proportion of a state or territory's total population at 31 December 2010. (b) These estimates use the "12/16 month rule" methodology for calculating NOM. (c) Estimates for 2010 are preliminary.

Source(s): Australian Demographic Statistics (cat. no. 3101.0).

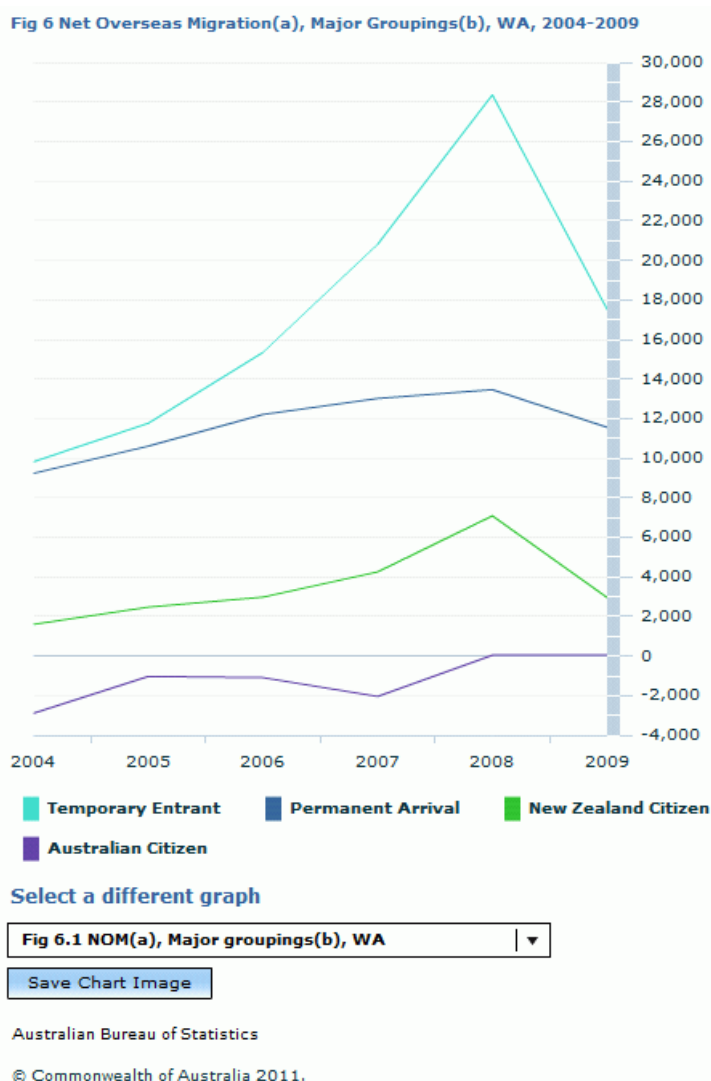
With the introduction of the '12/16 month rule' methodology for estimating NOM, the ABS also developed an analytical data set called the Travellers' Characteristics Database. These improvements allow the derivation of an individual's actual true travel behaviour (using final NOM data) and record certain characteristics of travellers who have contributed to NOM whether they are NOM arrivals or departures. The database provides for additional analysis on final NOM data that was not previously available.

The following analysis of NOM by major groupings and visa types has used data extracted from the Travellers' Characteristics Database. All data from the database are based on the '12/16 month rule' methodology.

Factors that should be taken into account when analysing data from the Travellers' Characteristics Database include the impact of global and regional events, legislative changes in Australia and abroad, and economic activity, all of which can change traveller behaviour.

Major Traveller Groups

In recent years, four major traveller groups have impacted on NOM estimates for WA: temporary visa holders; permanent visa holders; New Zealand citizens; and Australian citizens. Other traveller groups, having a smaller impact, include residents returning (i.e. non-Australian citizens who are permanent residents) and people travelling with onshore visas or with visa unknown.



Footnote(s): (a)These estimates use the '12/16 month rule' methodology for calculating NOM. (b)Does not include onshore and other visa types. The visa category information in this table represents the visa at the time of a traveller's specific movement. It is the specific movement that has been used to calculate NOM. (a)These estimates use the '12/16 month rule' methodology for calculating NOM.

Source(s): ABS Traveller Characteristics Database, data available on request.

Over the five years from 2004 to 2009, there was a 79% net increase in the number of temporary visa holders contributing to NOM in WA, from 9,800 to 17,500 persons. This was higher than growth at the national level (62%) and higher than that recorded in each of the other jurisdictions except the NT (98%) and Queensland (93%). In 2009, the net figure for WA

decreased 38% (-10,800 persons) from the previous year, significantly slowing the five year growth rate in this jurisdiction.

In comparison, permanent visa holders made a steadily increasing contribution to NOM in WA over the five year period, increasing by 25% from 9,200 to 11,600 persons. This net increase in permanent visa holders was similar to the national increase (23%) but considerably below that in SA (109%), the ACT (95%) and the NT (68%).

For the same period, the net number of New Zealand citizens increased by 85% (1,400 persons) in WA, compared with 14% at the national level. Of the states and territories, WA recorded the largest net increase in New Zealand citizens contributing to NOM over the five years, despite a 58% decline (-4,100 persons) between 2008 and 2009.

Traditionally, Australian citizens have a net negative effect on NOM estimates as more Australians depart each year than return. However, the combined effect of an increase in arrivals and a decrease in departures saw the contribution of Australian citizens to the WA population change, from a net loss of 2,900 persons in 2004, to a net gain of nearly 70 persons in 2009.

Major Groupings and Visa Type

The following section provides a further breakdown of the major groupings and visa types that contributed to NOM in WA during 2009, the most recent year for which the data are available.

MAJOR GROUPINGS AND VISA TYPE (a), % of Total NOM, States & Territories, 2009

	NSW	Vic	Qld	SA	WA	Tas	NT	ACT	Australia
Temporary visas	63.7	63.7	56.9	50.9	53.4	47.6	55.5	67.6	60.0
VET sector	15.5	23.4	15.0	14.4	10.2	5.1	5.7	9.0	16.7
Higher education sector	18.7	19.5	12.0	19.8	10.3	21.3	8.5	27.6	16.7
Student other	11.0	7.7	7.7	5.3	4.8	4.7	3.6	7.1	8.0
Total students	45.2	50.7	34.7	39.4	25.2	31.1	17.8	43.7	41.4
Business long stay (subclass 457)	2.5	4.3	8.4	6.7	14.5	8.6	29.5	11.8	6.4
Visitor(b)	8.4	7.8	8.0	5.1	9.6	9.1	8.8	10.3	8.1
Working holiday	13.6	4.7	9.0	2.5	8.3	1.8	5.2	4.8	8.4
Other temporary visas	-6.1	-3.7	-3.1	-2.9	-4.2	-2.9	-5.8	-3.1	-4.3
Permanent visas	37.1	32.6	23.2	45.0	35.2	43.1	41.0	36.7	33.5
Family	18.4	13.0	9.4	9.2	10.1	14.4	19.4	13.1	13.2
Skill	12.9	15.2	10.9	29.5	20.4	14.5	14.5	19.0	15.4
Special eligibility & humanitarian	5.9	4.5	2.9	6.3	4.7	14.3	7.1	4.6	4.8
New Zealand citizen	5.6	6.2	18.1	2.5	9.0	5.3	4.7	4.1	8.4
Australian citizen	-2.5	-0.1	1.8	3.9	0.2	4.7	6.3	-6.7	-0.1
Other (c)	-4.0	-2.5	-0.1	-2.2	2.2	-0.7	-7.5	-1.7	-1.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

(a) The visa category information in this table represents the number of visas based on the visa type at the time of a traveller's specific movement. It is this specific movement that has been used to calculate NOM. Therefore, the number of visas in this table should not be confused with information on the number of visas granted by DIAC.

(b) Visitor visas include tourist, business visitors, medical treatment and other.

(c) Includes residents returning (i.e. non Australian citizens who are permanent residents), onshore visas and visa unknown.

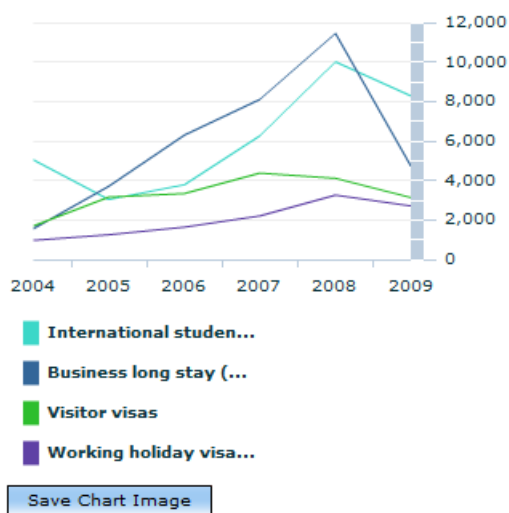
Source: ABS Traveller Characteristics Database, data available on request.

Temporary Visas

In 2009, temporary visa holders made the largest net contribution to NOM in WA, with 53% of the total NOM figure for the year. This was lower than for Australia as a whole (60%), and for most other jurisdictions except SA (51%) and Tasmania (48%). The number of temporary visa holders arriving in WA during 2009 was 30,100, representing 49% of all arrivals, while the number departing was 12,600, or 45% of all departures. This resulted in 17,500 additional temporary visa holders in the WA population.

Temporary visas issued in Australia fall into several categories, the principal ones being International student; Business long stay (457); Visitor and Working holiday visas.

Fig 7 NOM by Temporary Visa Types(a), WA, 2004-2009



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Footnote(s): (a)These estimates use the '12/16 month rule' methodology for calculating NOM.

Source(s): ABS Traveller Characteristics Database, data available on request.

International Students

Over the five year period from 2004 to 2009, there was a 65% (3,300) increase in the net number of international students contributing to NOM in WA. This growth in student NOM is mainly attributed to the large disparity between NOM arrivals and NOM departures, which in part reflects the time lag effect of a student's course duration. The disparity could also reflect the number of students who changed their visa and residency status whilst onshore.

There was a decline (-17%) in student NOM for WA in 2009. Despite this, international students made up the largest group of temporary visa holders contributing to NOM in WA in 2009, adding a net 8,300 to the state's population, or 25% of the total NOM figure. However, this was lower than the proportion recorded at the national level (41%) and in most other states and territories. Of these, only the NT recorded a lower proportion (18%).

Within this group, the higher education and vocational education and training (VET) sectors contributed almost equally to total NOM in WA, each adding a net of nearly 3,400 students or 10% of total NOM in 2009. Other student visas accounted for 5% of total NOM (1,600 students).

Business Long Stay Visas

Between 2004 and 2009, the net number of temporary business long stay visas (otherwise known as 457 visas) contributing to the WA population more than tripled (up by 206%, or 3,200 persons). This growth in Business 457 visas most likely reflects the state's relatively buoyant economy over recent years, with a booming resources sector contributing to low unemployment and labour shortages in specific occupations.

Temporary business entrants can stay in Australia for up to four years and can also apply for other visas during their stay. They may also obtain permanent residency under the Employer Nomination Scheme, the Regional Sponsored Migration Scheme, a Labour Agreement, or the Skilled Independent visa program. The sharp decline (-59%) in business 457 visa holders for WA in 2009 may, in part, reflect the economic uncertainty faced by employers during the Global Financial Crisis.

Despite this, people entering with business long stay visas represented the second largest group of temporary visa holders contributing to NOM in 2009. This visa group added 4,700 persons to the WA population, accounting for 14% of the total NOM figure for the year. This was much higher than representation at the national level (6%) and higher than that recorded in each of the other jurisdictions except the NT (29%).

Visitor Visas

The net number of long-term visitors (staying 12 months or more) contributing to the WA population also increased over the five years, with 1,400 (85%) more visitors in 2009 than in 2004. In 2009, this group contributed 3,100 persons to the WA population, representing 10% of total NOM for the year. This was slightly higher than representation at the national

level (8%) and in each of the other jurisdictions except the ACT (also 10%). Of this group, 73% were tourists, 11% were business visitors, 2% were sponsored family visitors, and the remaining 15% were visitors of other types.

Working Holiday Visas

Working holiday makers are permitted to stay for a period of up to 12 months from the date of initial entry. However, many of these visa holders stay more than 12 months, and therefore contribute to NOM estimates. This includes people who have undertaken seasonal work in regional Australia and become eligible to apply for a second working holiday visa as well as those who have applied for, and been granted, a different visa whilst onshore.

Between 2004 and 2009, the net number of working holiday-makers contributing to NOM in WA almost tripled (up 183% or 1,800 persons). This growth in working holiday visas may relate to the state's relatively strong economic standing during recent global financial events, increasing the appeal for international travellers to visit and work temporarily in WA.

In 2009, working holiday-makers added a net 2,700 to the WA population, representing 8% of total NOM for the year. This was consistent with representation at the national level (8%) and higher than in most other states and territories. Of these, only NSW (14%) and Queensland (9%) recorded higher proportions.

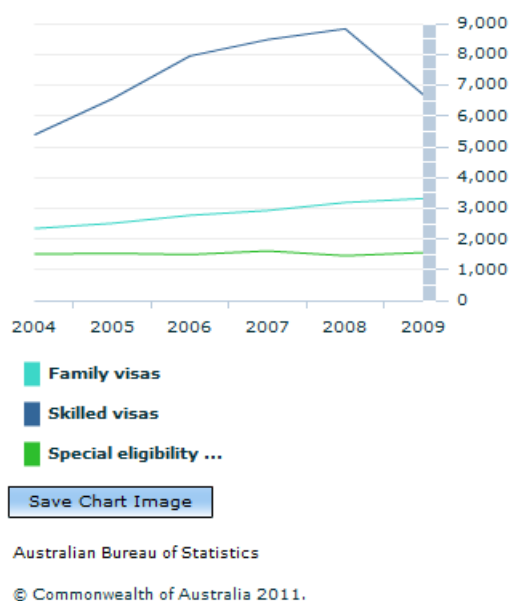
Permanent Visas

Permanent visa holders made a much smaller contribution to total NOM in WA in 2009 than temporary visa holders (35% and 53% respectively). While this was similar to the proportion of permanent visas at the national level (34%), it was below that recorded in most other jurisdictions except Victoria (33%) and Queensland (23%).

In 2009, the number of permanent visa holders arriving in WA was almost 12,500 persons, representing 20% of all arrivals, while the number departing was just under 890 persons, or 3% of all departures. This resulted in nearly 11,600 permanent visa holders being added to the WA population.

Permanent visas are grouped under three broad categories: Family visas; Skilled visas; and Special eligibility and humanitarian visas.

Fig 8 NOM by Permanent Visa Types(a), WA, 2004-2009



Footnote(s): (a) These estimates use the '12/16 month rule' methodology for calculating NOM.

Source(s): ABS Traveller Characteristics Database, data available on request.

Family Visas

For the five years to 2009, WA experienced an increase of 41% (970) in the net number of family visa holders contributing to NOM. In 2009, this visa group made a smaller contribution to the WA population than permanent skilled visa holders (3,300 persons or 10% of the total NOM figure). This proportion was slightly lower than for Australia as a whole (13%) and for all other jurisdictions except Queensland and SA (9% each).

Skilled Visas

Over the five years to 2009, there was a 24% (1,300) increase in the net number of permanent skilled visa holders (granted offshore) contributing to the WA population, reflecting the policy focus on skilled migration to address labour shortages associated with the state's resources boom.

As with business 457 visa holders, however, the economic uncertainty associated with the Global Financial Crisis may have contributed to the sharp decline (-24%) in permanent skilled visa holders in WA during 2009. Despite this, people entering with skilled visas made up the largest group of permanent visa holders contributing to NOM in 2009, providing a net gain of 6,700 persons, or 20% of total NOM, for the year. In comparison, the representation of skilled visas at the national level was lower at 15%, and lower in each of the other jurisdictions except SA (29%).

Special Eligibility and Humanitarian Visas

Special eligibility visas relate mainly to former citizens and residents requiring special visas to enter the country. This visa category contains very small numbers and has therefore been combined with the Humanitarian visa category, managed by the Australian Department of Immigration and Citizenship. The offshore resettlement component of the Humanitarian Program has two categories: refugees and a special humanitarian program.

Between 2004 and 2009, the net number of special eligibility and humanitarian visa holders (granted offshore) contributing to NOM in WA increased by just 3%, or 50 persons. This group made a net contribution of 1,600 persons to the state's population in 2009, or 5% of total NOM for the year. This was consistent with representation at the national level (5%), and in most other states and territories. Only Tasmania recorded a significantly higher proportion in this group of visa holders (14%).

New Zealand Citizens

In comparison with temporary and permanent visa entrants, New Zealand citizens made a relatively small contribution to total NOM for WA in 2009 (9%), but still larger than in all other jurisdictions except Queensland (18%). With over 5,200 New Zealand citizens arriving in WA in 2009 (9% of all arrivals), and nearly 2,300 departing (8% of all departures), this group contributed almost 3,000 persons to the WA population.

Australian citizens

Among the major NOM groupings, Australian citizens traditionally make a negative contribution to NOM. In WA, they made a small positive contribution (0.2%) in 2009, adding almost 70 people to the state's population. The number of Australian citizens returning to WA in 2009 was over 8,600 persons, representing 14% of all arrivals to the state, while the number departing was almost 8,600, or 30% of all departures. In comparison, the contribution of Australian citizens to national NOM was -0.1%, although most states and territories recorded positive contributions from Australian citizens and only NSW, Victoria and the ACT recorded negative contributions.

CONCLUSION

In WA, NOM has been the main driver of population growth in recent years, accounting for over half of the state's population growth in the five years to 2010.

Underpinning much of the recent growth in NOM was a large increase in the number of temporary business 457 visa holders and international students arriving in WA between 2005 and 2008. These suggest the state's growing engagement in the global economy and increasing provision of education services to international students.

This growth in temporary business 457 visas and international students may also be attributed to the disparity between NOM arrivals and NOM departures, reflecting time lags in visa and course duration, and the propensity for some temporary entrants to change their visa and residency status whilst onshore.

Of the jurisdictions, WA received the second highest proportional contribution of business 457 visa holders to NOM in 2009. However, despite the growth in international students, WA recorded one of the lowest proportional contributions from this visa group.

With skilled migration being a key focus of Australia's immigration policy since the late 1990s, and WA continuing to experience a boom in the resources sector, the proportion of permanent skilled visa holders contributing to the population in 2009 was relatively high compared with their contribution in most other states and territories. Of the various visa types, permanent skilled visas ranked second highest in WA (after international students) in terms of their contribution to NOM in 2009.

Significantly slowing the five year growth rate in total NOM, estimates for 2009 and 2010 show a sharp decline in net overseas migration to WA. This was driven by a combination of a decrease in arrivals and an increase in departures for temporary visa and permanent skilled visa holders.

Despite this decline, overseas migration has contributed significantly to WA's population growth since 2005, with international students, permanent skilled visa holders and business 457 visa entrants making the largest net contributions to the size and structure of the state's total population.

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